

HB 1229 -- TAX CREDIT FOR BUSINESSES IN DISTRESSED COMMUNITIES

SPONSOR: Franks Jr.

This bill authorizes an income tax credit equal to 50% of the amount incurred in the construction and development of a new business in a distressed community so long as the majority of the new business' employees live within the county. A distressed community is defined to be a census tract with a poverty rate of at least 20% or a median family income of less than 80% of the statewide average.

A taxpayer cannot claim a tax credit greater than \$2.5 million per tax year. The credit is nonrefundable and nontransferable, but may be carried over three years. The total amount of credits authorized cannot exceed \$25 million in any calendar year.

A taxpayer must repay all credits received plus a reasonable return on the value of the credits issued if the business leaves within five years of being issued the credits.